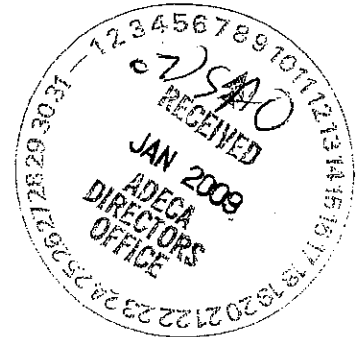




U. S. Department of Housing and Urban Development  
Birmingham Office  
Region IV  
Medical Forum Building, Suite 900  
950 22<sup>nd</sup> Street, North  
Birmingham, Alabama 35203-5301

January 8, 2009

Mr. Bill Johnson, Director  
Alabama Department of Economic  
And Community Affairs  
401 Adams Avenue, Suite 580  
Montgomery, AL 36103-5690



Dear Mr. Johnson:

Congratulations on your Neighborhood Stabilization Program (NSP) grant award!

I am sending this letter to you to inform you that your local HUD Fair Housing and Equal Opportunity (FHEO) office will be monitoring your implementation of the Neighborhood Stabilization Program (NSP) plan in order to ensure that you continue to comply with federal fair housing and civil rights requirements. As such, I am writing to make you aware of the general federal fair and civil rights housing requirements that recipients of federal funds must follow.

The NSP is a part of the Title III Housing and Economic Recovery Act of 2008, and entitles your jurisdiction to federal funds. The Act states that except as otherwise provided, amounts made available to NSP grantees under Title III are to be treated as though such funds were community development block grant (CDBG) funds under Title I of the Housing and Community Development Act of 1974. NSP grantees must comply with the Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (FHA), as amended, which prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status, and handicap; Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; and other statutes detailed in 24 CFR 5.105.

Affirmatively Furthering Fair Housing and Analysis of Impediments to Fair Housing Choice

NSP grantees are required to follow the Affirmatively Furthering Fair Housing (AFFH) obligations imposed through the CDBG program (24 CFR 570.601 et seq.). HUD defines the AFFH obligations as requiring a grantee to 1) conduct an analysis to identify impediments to fair housing choice (the AI) within the jurisdiction; 2) take appropriate actions to overcome the effects of any impediments identified through the analysis; and 3) maintain records reflecting the analysis and actions taken to this regard. The AI is an assessment of how a state or entitlement jurisdiction's laws, regulations, policies, and procedures affect the location, availability, and accessibility of housing. It also assesses how conditions, both private and public, affect fair housing choice. Grantees must maintain their AIs, and update the AI annually where necessary.

*HUD's mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination.*

## Title VI of the Civil Rights Act of 1964

Title VI of the Civil Rights Act of 1964 is the federal law that protects individuals from discrimination on the basis of their race, color, or national origin in programs that receive federal financial assistance. In certain situations, failure to ensure that persons who are limited English proficient can effectively participate in, or benefit from, federally assisted programs may violate Title VI's prohibition against national origin discrimination.

## Limited English Proficiency Guidance

NSP recipients must be in compliance with the national origin discrimination provision of Title VI of the Civil Rights Act of 1964. Limited English proficiency (LEP) persons are those who, as a result of national origin, do not speak English as their primary language and who have a limited ability to speak, read, write, or understand English. Federal recipients are required to make reasonable efforts to provide language assistance to ensure meaningful access for LEP persons to the recipients' programs and activities. Grantees should review HUD's LEP Guidance on how to provide this meaningful access. Guidance is available through the following web link: <http://www.hud.gov/offices/fheo/promotingfh/lep.cfm>

## Collecting and Maintaining Racial and Ethnic Data

HUD Title VI regulations (24 CFR 1) requires that all of its federally assisted recipients record and maintain information on the race, ethnicity, and gender of persons who are applicants for, participants in, or beneficiaries of the NSP program.

## Section 504 of the Rehabilitation Act of 1973

As recipients of federal funds, grantees must also follow the accessibility requirements stated in Section 504 of the Rehabilitation Act of 1973; Section 109 of Title I of the Housing and Community Development Act of 1974; Title II of the Americans with Disabilities Act of 1990; and the Architectural Barriers Act of 1968. Together, these federal laws require all recipients of federal financial assistance to ensure accessibility for persons with disabilities. Public facilities and buildings, as well as all projects receiving federal financial assistance, must be designed, constructed, and altered to be fully accessible to people with mobility and sensory impairments.

The FHA applies to both public and private housing. Under the Act, new multifamily buildings must be designed and constructed to have fully accessible common areas. These buildings must also incorporate basic adaptive features in ground floor and elevator-accessible dwelling units to allow for use by people with disabilities. In addition to these requirements, when housing is created using federal funding, at least 5% of a project's dwellings must be fully accessible to people with mobility impairments, and an additional 2% must be accessible to people with vision and hearing impairments.

Recipients must ensure full compliance with these federal laws and must also ensure compliance by all sub-recipients to whom funds are distributed. The Uniform Federal Accessibility Standards, the ADA Accessibility Guidelines, and the Fair Housing Act Accessibility Guidelines set forth architectural specifications for features of accessible design, such as ramps, passable doorways, and Braille signage. In addition, HUD has recognized ten "safe harbor" model building codes which fully comply with the Fair Housing Act's accessibility requirements.

#### Affirmative Marketing in Resale

If your NSP plan includes the resale of homes that you have rehabilitated or newly constructed, you must submit an Affirmative Fair Housing Marketing Plan (AFHMP). For additional information on AFHMPs, please see regulations at 24 CFR Part 200, Subpart M.

#### Section 3 of the Housing and Urban Development Act of 1968.

NSP recipients must submit HUD Form 60002, "Section 3 Summary Report." This form is used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to recipients of housing and community development assistance in excess of \$200,000 expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to contracts and subcontracts in excess of \$100,000 awarded in connection with the Section-3 covered activity.

#### Fair Housing Training

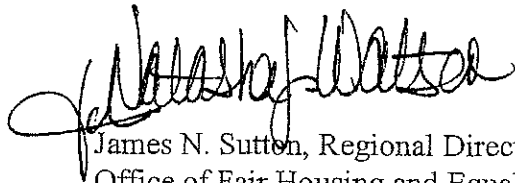
To ensure that you and your staff understand the above requirements, I encourage you and your staff to take fair housing training. Fair housing training is available to you, and is provided upon request by my staff.

HUD also provides free training and technical assistance on the Fair Housing Act's design and construction requirements through its Fair Housing Accessibility FIRST program. Information regarding the FIRST Program is available through the following web link:  
<http://www.hud.gov/offices/fheo/disabilities/accessibility1st.cfm>

Please do not hesitate to contact me for any additional information or to address any questions you may have. I may be contacted at 678-732-2526. You may also contact Natasha Watson, Alabama, FHEO Field Office Director, at 205-731-2630, extension 1013.

We wish you the best of luck as you implement your NSP plans and help promote HUD's mission of increasing access to affordable and accessible housing free from discrimination.

Sincerely,

A handwritten signature in black ink, appearing to read "James N. Sutton". The signature is fluid and cursive, with a large initial "J" and "S".

James N. Sutton, Regional Director  
Office of Fair Housing and Equal  
Opportunity  
Region IV